

**MINUTES**

**MONTANA HOUSE OF REPRESENTATIVES  
59th LEGISLATURE - REGULAR SESSION**

**JOINT APPROPRIATIONS SUBCOMMITTEE ON LONG RANGE PLANNING**

**Call to Order:** By **CHAIRMAN JACK WELLS**, on January 20, 2005 at 8:30 A.M., in Room 350 Capitol.

**ROLL CALL**

**Members Present:**

Rep. Jack Wells, Chairman (R)  
Sen. John Brueggeman (R)  
Rep. Ralph L. Lenhart (D)

**Members Excused:** Rep. John E. Witt (R)

**Members Absent:** Sen. Jon Tester, Vice Chairman (D)  
Sen. Mike Cooney (D)  
Rep. Carol C. Juneau (D)  
Sen. Bob Keenan (R)

**Staff Present:** Laura Dillon, Committee Secretary  
Catherine Duncan, Legislative Branch  
Mark Bruno, OBPP

**Please Note.** These are summary minutes. Testimony and discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing & Date Posted: HB 6, 1/20/2005; HB 8, 1/20/2005  
Executive Action:

**Reference book is:** Governor's Budget State of Montana, Fiscal Years 2006-2007, Renewable Resource Grant and Loan Program (RRGL), Volume 7.

**CHAIRMAN WELLS** called the meeting to order and began the hearings for HB 6 and HB 8 projects.

**Butte-Silver Bow Project #42 Page 119**

**Pam Smith, Department of Natural Resources and Conservation (DNRC)**, introduced this project to replace pipeline in the Butte water system. The project has been recommended for the full amount of funding--\$100,000.

**Proponents' Testimony:**

**Jean Pentecost, Butte-Silver Bow Public Works Department**, explained that the water system was constructed in the 1800's and made from wood. Most of the wooden structure was later replaced with steel. The steel pipes are uncoated and of poor quality. The lines are rusting, and have significant leakage problems. The leakage has caused erosion along the system. The proposed project will increase water supply to the City of Butte, conserve energy and decrease health hazards. Ms. Pentecost showed the committee members pictures of line that had recently been repaired.

**Opponents' Testimony:** none.

**Questions from Committee Members and Responses:**

**SEN. BRUEGGEMAN** asked what the cost of replacing the entire line would be.

**Ms. Pentecost** replied "\$7 million."

*{Tape: 1; Side: A; Approx. Time Counter: 0 - 10.2}*

**Butte-Silver Bow Project #54 Page 148**

**Ms. Smith** stated that this project would facilitate updates to the water master plan for Butte-Silver Bow County. Despite a weak alternative analysis, the application was approved and the project recommended for funding of \$100,000.

**Proponents' Testimony:**

**Ms. Pentecost** attested that a master plan was necessary to evaluate water demand and supply. This plan will be part of the community's capital improvements. Upgrades to the old water system need to be carefully planned and executed, because the system is very complex, and it had not been maintained until the 1990's.

The water master plan will address:

- 1) Population and economic growth
- 2) Water capacity and limits
- 3) State and federal water regulations
- 4) Infrastructure repair and upkeep

Over \$34 million has been spent on community capital improvement plans since 1992. These plans are necessary before funding can be approved by state agencies.

**Opponents' Testimony:** none.

**Questions from Committee Members and Responses:**

**REP. LENHART** asked why the utility rates were so high for the community.

**Ms. Pentecost** replied that the rates were raised to pay for project bonding. The community has had to come up with funding to meet a number of Environmental Protection Agency (EPA) mandates.

**CHAIRMAN WELLS** asked if the master plan update would be sufficient to prevent further rate increases in the future.

**Ms. Pentecost** responded that the rates will stabilize as long as the community is able to secure RRGL grant money for the project.

**CHAIRMAN WELLS** asked if there were any change in the population trend over the years.

**Ms. Pentecost** answered that Butte was maintaining its population of about 33,000 residents.

**CHAIRMAN WELLS** asked if any population increases are expected in the future.

**Ms. Pentecost** stated that adequate water supply must first be available before any economic or population growth is likely to take place.

***{Tape: 1; Side: A; Approx. Time Counter: 10.2 - 19.5}***

**Broadview Project #25 Page 77**

**Ms. Smith** presented this project to develop a new water supply for the Town of Broadview. The project is recommended for RRGL funding of \$99,997.

**Proponents' Testimony:**

**John Hougardy, Mayor of Broadview**, distributed copies of his written testimony and newspaper articles related to the project (Exhibit 1). He feels that the community's already significant water shortage problems have been worsened by prolonged drought. An alternate water supply for the town must be identified.

**EXHIBIT (j1h15a01)**

**Betty Carlson, Broadview Resident**, voiced concerns about fire management. Population growth in the area only compounds the need for a better water source.

**Jim Reno, Yellowstone County Commissioner**, supported the measure, stating that small towns deserve the same water quality as larger cities.

**Bill Kennedy, Yellowstone County Commissioner**, went on record in support of the project.

**Opponents' Testimony:** none.

**Questions from Committee Members and Responses:**

**REP. LENHART** asked what the population of Broadview was.

**Ms. Carlson** responded that the town has around 150 residents and an additional rural population attending the local school.

**CHAIRMAN WELLS** asked the mayor if he had ever considered using a "water witcher" to find a well location.

**Mr. Hougardy** said although he was familiar with the idea, it had never been brought up at the planning meetings.

**Roosevelt County CD Project #27 Page 81**

**Bob Fischer, DNRC**, discussed the Roosevelt County Conservation District application. The project will facilitate irrigation and drainage improvements along the Fort Peck Irrigation District. The project is recommended for the full amount of \$99,995.

**Proponents' Testimony:**

**Robert Anderson, Roosevelt Conservation District**, informed the committee that the project is located on the Fort Peck Indian Reservation. The system serves 150 water users and 100 landowners

in the surrounding area. State, local, and federal agencies are working together to complete the project.

**{REP. WITT entered the meeting at 9:05 A.M.}**

**Cole Sibley, Fort Peck Water Users Association**, said that the project is very important to the local farmers and ranchers. The drainage problems have been identified by the water users as the highest priority issue at this point.

**{Tape: 1; Side: B; Approx. Time Counter: 0 - 3.9}**

**Carl Fourstar, Fort Peck Water Users, Fort Peck Tribal Water Resources**, stated that the tribe had a water-use contract with the state. The Fort Peck Water Users draw from the tribal water. The system needs new flow monitors to monitor amount of water used and the condition of water returned. These monitors will conserve water and make the system more efficient overall.

**Miles Knudsen, Roosevelt County Conservation District**, supports the measure based on its agricultural and economic benefits.

**Scott Aspenlieder, Engineering Student**, has worked with the district to assess their water problems. The drainage problem has ranked high with the water users. Most of the high priority drains will be cleaned through this project.

**Sharon Anderson, Fort Peck Water Users Association**, testified that her family had a crop of alfalfa drowned out as a result of the faulty drains. She supports the drainage improvements included in the project.

**Opponents' Testimony:** none.

**Questions from Committee Members and Responses:**

**CHAIRMAN WELLS** asked Ms. Anderson if she thought the proposed rate increases were reasonable.

**Ms. Anderson** replied that she expected the water fees to go up in accordance with the cost of living. She felt that the increase was reasonable for completion of the project.

**Liberty County CD Project #49 Page 136**

**Mr. Fischer** described the Liberty County Conservation District Project. The applicants have requested \$100,000 to complete a watershed study of the Marias River Basin. The project has been recommended for the full amount of funding.

**Proponents' Testimony:**

**Roger Zentzis, Marias River Watershed Group**, distributed information on the project (Exhibit 2). The project will be managed locally and the watershed group would like to incorporate other organizations with the project. A comprehensive database will be developed as part of the project for outside agencies to reference. Mr. Zentzis asked the committee to move the project higher on the priority ranking list to assure that the funding will be granted.

**EXHIBIT (j1h15a02)**

*{SEN. COONEY entered the meeting at 9:20 A.M.}*

**Paul Kronebusch, Pondera County Conservation District**, explained that the watershed encompasses a large area. This study will make it possible to address some of the problems on the watershed, and many people will be positively affected.

*{Tape: 1; Side: B; Approx. Time Counter: 3.9 - 18.6}*

**REP. JOHN WITT, HD 28, and Ken Gagnon, Liberty County Conservation District**, went on record in support of the Marias River Watershed Project.

**Opponents' Testimony:** none.

**Questions from Committee Members and Responses:** none.

**Liberty County CD Project #21 Page 66**

**Mr. Fischer** introduced this project, which will fund a feasibility study to irrigate 20,000 to 40,000 acres, which are currently not irrigated. The project has been recommended for the full funding amount of \$100,000.

**Proponents' Testimony:**

**Mr. Gagnon** handed out project fact sheets and maps to the committee members (Exhibit 3). There have been several attempts to irrigate the area that have failed as a result of insufficient funding. A nearby Canadian town is benefitting from a similar irrigation operation. There is strong support for the project locally, as well as federally.

**EXHIBIT (j1h15a03)**

**Kelly Christenot, Liberty County Farmer**, stated that he is confident the proposed irrigation project will reduce the effects of drought in the area.

**Mike Murphy, Montana Water Users Association**, cited the economic benefits of irrigation, in support of the measure.

**Kurt Kammerzall, Chester Irrigation District**, went on record in support of the project.

**Jane Holzer, Montana Salinity Control**, supports the measure because the Salinity Control Board will be actively involved. Many of the older irrigation systems that were poorly constructed are contributing to salinity problems in rivers. She would like to take this opportunity to be proactive in addressing salinity in the new system.

**Paul Kronebusch, Marias River Watershed; REP. WITT; Roger Perkins, Engineer; Ray Morkrid, Area Farmer; and Ed Diemert, Liberty County Commissioner**, went on record in support of the project.

*{Tape: 2; Side: A; Approx. Time Counter: 0 - 10.5}*

**Opponents' Testimony:** none.

**Questions from Committee Members and Responses:** none.

**REP. LENHART** asked if the Tiber Dam kept the water in the lake relatively constant.

**Mr. Christenot** responded that the dam had been designed to accommodate a higher irrigation capacity than was being requested for the project.

**REP. LENHART** asked how many acre feet of usable water was available.

**Mr. Christenot** replied that about 235,000 acre feet were available.

**CHAIRMAN WELLS** asked for clarification of the lines on the site map.

**Mr. Gagnon** explained that the lines represented producers interested in irrigating the land. They are in the process of consolidating the land at the moment.

**CHAIRMAN WELLS** asked if there was an estimate for the cost of the entire project.

**Mr. Gagnon** answered that the project costs were estimated at about \$1000 per acre.

**CHAIRMAN WELLS** asked where the funding for the remainder of the project was expected to come from.

**Mr. Gagnon** replied that a feasibility study would address the remainder of the funding sources.

**CHAIRMAN WELLS** asked if the prospective producers agreed with the \$1000 per acre assessment.

**Mr. Gagnon** replied that the producers had agreed to the assessment.

**Buffalo Rapids Project #15 Page 52**

**Ms. Smith** described this project as part of irrigation improvements to Buffalo Rapids Irrigation District #2. This project will address water quality and noxious weed concerns. The project has been recommended for funding of \$88,955.

**Proponents' Testimony:**

**Dave Schwarz, General Project Manager**, testified that the projects will increase irrigation efficiency. The project encompasses over 25,000 acres in two irrigation districts and three canal systems. The proposed project will increase system efficiency, reduce nitrates in the water, reduce soil erosion, and enable weed better weed control.

**Mr. Schwarz** stated that automatic check devices will be installed to measure water spills and monitor water levels. This will allow for better water delivery and management. A system lateral will also be replaced. Mr. Schwarz distributed copies of letters in support of the project (Exhibit 4).

**EXHIBIT (j1h15a04)**

**Mike Murphy** and **REP. LENHART** went on record in support of the project.

**Opponents' Testimony:** none.

**Questions from Committee Members and Responses:** none.

**{Tape: 2; Side: A; Approx. Time Counter: 10.5 - 30.8}**

**Savage Project #41 Page 117**

**Ms. Smith** introduced the Savage Irrigation District Project. The project has been recommended for funding of \$62,814. The funds will be used to create a rehabilitation plan for the irrigation district. This will be done in an effort to reduce the consumption of electric power currently used to elevate the water supply.

**Proponents' Testimony:**

**Jerry Nypen, Lower Yellowstone Irrigation Project**, commented that the district needed a rehabilitation plan for greater water and electrical efficiency. The current canal system is prone to leaking. If approved, the project will provide the funding necessary to formulate such a plan.

**Mike Murphy** and **REP. LENHART** stated their support for the project.

**Leslie Messer, Richland Economic Development, and Ken Torgerson, Richland County Conservation District**, cited economic opportunities as they spoke in support of the project.

**Opponents' Testimony:** none.

**Questions from Committee Members and Responses:** none.

**Lower Yellowstone Project #10 Page 40**

**Mr. Fischer** described the Lower Yellowstone Irrigation Project. The project has been recommended for funding of \$100,000. The funds will facilitate system diversion improvements.

**Proponents' Testimony:**

**Mr. Nypen** stated that the system began as a federal project nearly 100 years ago. The age of the system makes it harder to control the level of water. The water level in the system is kept higher than necessary due to the lack of canal control structures. Much of the funding requested will go to buy new parts for the construction of control structures. Adding these structures to the system will conserve water by reducing the level necessary for operation.

**{Tape: 2; Side: B; Approx. Time Counter: 0 - 16.7}**

**REP. LENHART, Mike Murphy, Ken Torgerson and Leslie Messer** went on record in support of the project.

**John Tubbs, DNRC,** told the committee that the project will result in a tremendous amount of water conservation and energy savings.

**Opponents' Testimony:** none.

**Questions from Committee Members and Responses:**

**SEN. COONEY** asked what an "automatic control structure" referred to.

**Mr. Nypen** replied that the control structure is on the main canal system. It is equipped with sensors that will automatically keep the water level at the minimum necessary for operation.

**Yellowstone Irrigation Project #19 Page 62**

**Mr. Fischer** stated that this project seeks to improve the operational efficiency of the main canal in the Yellowstone Irrigation District. The project has been recommended for funding in the amount of \$99,999.

**Proponents' Testimony:**

**Myles VanHemelryck, Yellowstone Irrigation District,** testified that the main canal serves over 11,000 acres, and the demand for water is continuing to increase. The canal structure sustains significant seepage problems. At times the canal is running out of water by the time it reaches the users at the end of the line. The district is now completing water flow measurements, and would like to do an informational study on the diversion dam. The canals will be lined with spray sealant rather than plastic, in an effort to reduce overall costs.

*{Tape: 2; Side: B; Approx. Time Counter: 16.7 - 31.1}*

**REP. VERONICA SMALL-EASTMAN, HD 42 and Mike Murphy** went on record in support of the project.

**Opponents' Testimony:** none.

**Questions from Committee Members and Responses:**

**SEN. COONEY** asked how effective the spray sealant was at preventing water seepage.

**Mr. VanHemelryck** responded that the spray helps alleviate the problem, but it needs to be continually reapplied. Areas along the canal are becoming wetland because the seepage is so high.

**CHAIRMAN WELLS** asked Mr. VanHemelryck to explain a "Replogle flume."

**Russ Reed, HKM Engineering**, described Replogle flume technology. It is more efficient than earlier methods of water diversion.

*{Tape: 3; Side: A; Approx. Time Counter: 0 - 5.4}*

**Big Horn CD Project #40 Page 115**

**Mr. Fischer** said the Big Horn Conservation District was recommended for a grant of \$100,000. This will be used to formulate a study to determine the effects of drought and irrigation on groundwater.

**Proponents' Testimony:**

**Roy Neal, Big Horn Conservation District**, outlined the objectives of the study in written testimony (Exhibit 5). This will be the first study of groundwater in the area. Increases in irrigation efficiency have led to less water being returned to the aquifer. The effects of this will be studied through the project.

**EXHIBIT(jlh15a05)**

**REP. VERONICA SMALL-EASTMAN, HD 42**, and **REP. NORMA BIXBY, HD 41**, stated their support for the project.

**Mr. Neal** distributed letters (Exhibit 6) in support of the project.

**EXHIBIT(jlh15a06)**

**Opponents' Testimony:** none.

**Questions from Committee Members and Responses:**

**REP. LENHART** asked if the amount of irrigation on the river was measured.

**Mr. Neal** replied that the river was the primary source of irrigation for all landowners in the area.

**Mr. Tubbs** commented that problems like this were not uncommon in the state. There has been a shift of focus toward the effects irrigation conservation has on groundwater.

**CHAIRMAN WELLS** closed the hearings and the meeting was adjourned.

*{Tape: 3; Side: A; Approx. Time Counter: 5.4 - 19}*

**ADJOURNMENT**

Adjournment: 10:50 A.M.

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REP. JACK WELLS, Chairman

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LAURA DILLON, Secretary

JW/ld

Additional Exhibits:

**EXHIBIT ([j1h15aad0.PDF](#))**